

MAR 27 1979 - 4 10 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

AGREEMENT AND ASSIGNMENT dated as of this 23 day of MARCH 1979, between EMONS INDUSTRIES, INC., a corporation of the State of New York, with an office at 490 East Market Street, York Pennsylvania 17403 ("Emons") and FARMERS FIRST BANK, with an office at 9 East Main Street, Lititz, Pennsylvania 17543 ("Assignee").

WHEREAS, Emons is the Assignee of a Conditional Sale Agreement dated as of December 29, 197<sup>6</sup> (the "Agreement") by and between Emons Leasing Co., Inc. a corporation of the State of New Jersey ("Leasing) and the Maryland and Pennsylvania Railroad Company, a corporation of the Commonwealth of Pennsylvania and the State of Maryland ("Railroad"), providing for the sale on the conditions therein set forth by Leasing to the Railroad of railroad freight cars as more particularly described therein, for use or intended for use in interstate commerce ("Equipment"), a true copy of the Agreement being annexed hereto;

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT WITNESSETH that, in consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by Assignee to Emons, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

1. Emons hereby sells, assigns, transfers and sets over to Assignee, its successors and assigns:

(a) All right, title and interest of Emons in and to the Agreement, any and all amounts which may be or become due or owing by Railroad to Emons under the Agreement on account of the purchase price of the Equipment, and any other sums which may become due from Railroad under the Agreement.

(b) All of Emons' rights, powers, privileges and remedies under the Agreement; provided, however, that this Agreement and Assignment shall not subject Assignee to, or transfer, or pass, or in any way affect or modify the liability of Emons in respect of its obligations contained in the Agreement, or relieve the Railroad from its obligations to Emons under the Agreement, it being understood and agreed that notwithstanding this Agreement and Assignment, or any subsequent assignment pursuant to the provisions of the Agreement, all obligations of Emons to Railroad in respect of the Equipment shall be and remain enforceable by Railroad, its successors and assigns, against and only against Emons.

In furtherance of the foregoing Agreement and Assignment, Emons hereby authorizes and empowers Assignee, in Assignee's own name or in the name of Assignee's nominee, or in the name of and as attorney, hereby irrevocably

constituted for Emons to ask, demand, sue for, collect, receive and enforce any and all sums to which Assignee is or may become entitled under this Agreement and Assignment and compliance by Railroad with the terms and agreements on its part to be performed under the Agreement, but at the expense and liability and for the sole benefit of Assignee.

2. Emons represents and warrants that, notwithstanding this Agreement and Assignment it will perform and fully comply with each and all of the covenants and conditions of the Agreement set forth to be performed and complied with by Emons. Emons further represents and warrants to Assignee, its successors and assigns, that at the time of execution and delivery of the Agreement, Emons had legal title to the Equipment free of all claims, liens and encumbrances of any nature except only the rights of Assignee under that certain Chattel Mortgage and Security Agreement dated *MARCH 23 1979*, a copy of which has been delivered to Assignee, and the rights of Railroad under the said Agreement. Emons further represents and warrants to Assignee, its successors and assigns, that the Agreement was duly authorized and lawfully executed by Emons for a valid consideration and is binding upon Emons in accordance with its terms, and that the Agreement is now in force without amendment thereto. Emons further covenants and agrees that it will defend the title to the Equipment against the demands of all persons whomsoever, subject, however, to

the provisions of the Agreement and the rights of Railroad under the terms thereof.

3. Emons covenants and agrees with Assignee that in any suit, proceeding or action brought by Assignee under the Agreement for any payment due and owing, or to enforce any provision of the Agreement or to recover any other sums due from Railroad in respect of the Equipment, Emons will save, indemnify and keep harmless Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of Emons arising out of a breach by Emons of any obligation in respect of the Equipment or any obligation of Emons pursuant to the Agreement, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to Railroad by Emons. Any and all such obligations shall be and remain enforceable by Railroad against, and only against Emons, and shall not be enforceable against Assignee or any party or parties in whom title to the Equipment or any unit thereof or the rights of Emons under the Agreement shall vest by reason of this assignment or of successive assignments or transfers. Emons will indemnify, protect and hold harmless Assignee from and against any and all liabilities, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against Assignee or its *Assignee R.*

because of the use in or about the construction or operation of the Equipment, or any unit thereof, of any design, article or material which infringes or is claimed to infringe on any patent or other right.

4. Simultaneously with the execution and delivery of this Agreement and Assignment, there shall be delivered to Assignee:

(a) A certificate or certificates signed by an authorized representative of Emons, stating that the units of the Equipment have been inspected; that such units are in good order and condition; that such units conform to all applicable Interstate Commerce Commission requirements and specifications and all standards recommended by the Association of American Railroads; and that such units are subject to the terms of the Agreement.

(b) Certificates of Emons, or an authorized representative of Emons, and of the Railroad to the effect that the Agreement is in full force and effect and no default exists under the terms thereof, and no event has occurred which, with the passage of time, would constitute a default under the terms thereof.

(c) A favorable opinion of counsel for Emons, stating that (i) the Agreement has been duly authorized, executed and delivered and is a valid and binding instrument enforceable in accordance with its terms; (ii) the Assignee is vested with all the right, title and interest

of Emons in and to the Agreement purported to be assigned to Assignee by this Agreement and Assignment; (iii) the Agreement and this Agreement and Assignment are in recordable form for filing with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and when recorded, will validly vest in Assignee a perfected security interest in the Equipment, free of all claims, liens, encumbrances and other security interests, except the rights of Railroad under the Agreement, and no other filing or recordation is necessary to protect the rights of Assignee in any state of the United States of America or the District of Columbia; and (iv) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the execution and delivery of the Agreement.

5. Upon request of Assignee, its successors and assigns, Emons will execute any and all instruments which may be necessary or proper in order to discharge of record any instrument evidencing any interest of Emons in the Equipment.

6. Assignee may assign all or any of its rights under the Agreement, including the right to receive payments due or to become due to it hereunder. In the event of any such assignment, any such subsequent or successor assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of Assignee hereunder.

7. Emons covenants and agrees that it will, from time to time and at all times, at the request of Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance, and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth, and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to Assignee or intended to be.

8. The terms of this Agreement and Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

9. The Agreement is incorporated herein by reference and shall be deemed a part of this Agreement and Assignment.

10. This Agreement and Assignment may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto have caused

this Agreement and Assignment to be duly executed as of the  
date first above written

ATTEST:

William J. Jones

ATTEST:

Forrest L. Bessley  
Asst Sec

EMONS INDUSTRIES, INC.

By: Robert Grossman  
Chief Executive Officer

FARMERS FIRST BANK

By: Richard M. Clay SUP



COMMONWEALTH OF PENNSYLVANIA)

) SS.:

COUNTY OF YORK )

On this 23 day of MARCH, 1979, before me personally appeared KENNETH L RESSLER, to me personally known, who being by me duly sworn, says that he is the ASSISTANT SECRETARY of Farmers First Bank, that the seal affixed to the foregoing instrument is the seal of said Bank; that said instrument was signed and sealed on behalf of said Bank by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Bank.

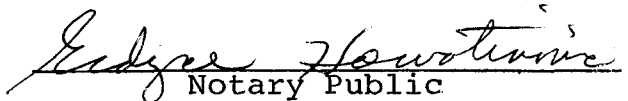
Eddie Hawthorne  
Notary Public

MY COMMISSION EXPIRES  
JANUARY 31, 1981  
YORK, YORK COUNTY, PA.

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF YORK ) SS.:

On this 23 day of March, 1979, before me personally appeared Robert Grossman, to me personally known, who being by me duly sworn, says that he is Chief Executive Officer of EMONS INDUSTRIES, INC., that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

  
Notary Public

MY COMMISSION EXPIRES  
JANUARY 31, 1981  
YORK, YORK COUNTY, PA.

ACKNOWLEDGEMENT OF NOTICE OF  
ASSIGNMENT

The Maryland and Pennsylvania Railroad Company,  
a Maryland and Pennsylvania Corporation with offices at  
490 East Market Street, York, Pennsylvania hereby acknow-  
ledges due notice of the assignment made by the foregoing  
Agreement and Assignment dated as of *MARCH 23*, 1979,  
which is incorporated in this acknowledgement by reference,  
and shall be deemed a part thereof.

BY



Robert Grossman  
Vice President

Dated: *MARCH 23*, 1979

COMMONWEALTH OF PENNSYLVANIA )  
 ) SS.:  
COUNTY OF YORK )

On this 23 day of MARCH, 1979, before me personally appeared Robert Grossman, to me personally known, who being by me duly sworn, says that he is Vice President of MARYLAND AND PENNSYLVANIA RAILROAD COMPANY; that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Eldyce Horvath  
Notary Public

MY COMMISSION EXPIRES  
JANUARY 31, 1981  
SUNBURY COUNTY, PA.